

Kenric D. Kattner
State Bar No. 11108400
Kourtney Lyda
State Bar No. 24013330
HAYNES AND BOONE, LLP
1221 McKinney Street, Suite 2100
Houston, TX 77010
Telephone: 713.547.2000
Facsimile: 713.547.2600
Email: kenric.kattner@haynesboone.com
Email: kourtney.lyda@haynesboone.com

Ian T. Peck
State Bar No. 24013306
David Staab
State Bar No. 24093194
HAYNES AND BOONE, LLP
2323 Victory Avenue, Suite 700
Dallas, TX 75219
Telephone: 214.651.5000
Facsimile: 214.651.5940
Email: ian.peck@haynesboone.com
Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re § **Chapter 11**
§
ERICKSON INCORPORATED, et al.,¹ § **Case No. 16-34393-hdh**
§
Debtors. § **(Joint Administration Requested)**
§

DEBTORS' EMERGENCY MOTION FOR ORDER (I) AUTHORIZING CONTINUED USE OF EXISTING BUSINESS FORMS AND RECORDS; (II) AUTHORIZING MAINTENANCE OF EXISTING CORPORATE BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM; (III) WAIVING CERTAIN U.S. TRUSTEE REQUIREMENTS; AND (IV) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS WITH SECTION 364(a) ADMINISTRATIVE PRIORITY

Erickson Incorporated and its debtor affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 cases (collectively, the “**Debtors**” and together with their non-debtor affiliates, “**Erickson**”), file the *Debtors’ Emergency Motion for an Order (i) Authorizing Continued Use of Existing Business Forms and Records; (ii) Authorizing Maintenance of*

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Erickson Incorporated (7561); EAC Acquisition Corporation (3733); Erickson Helicopters, Inc. (5052); Erickson Transport, Inc. (9162); Evergreen Helicopters International, Inc. (1311); Evergreen Equity, Inc. (9209); and Evergreen Unmanned Systems, Inc. (3961). The location of the Debtors’ service address is 5550 SW Macadam Avenue, Suite 200, Portland, OR 97239.



Existing Corporate Bank Accounts and Cash Management System; and (iii) Waiving Certain U.S. Trustee Requirements (this “**Motion**”) and respectfully represents:

Jurisdiction and Venue

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3. The Debtors, together with their non-debtor affiliates (collectively, “**Erickson**”), are a vertically-integrated manufacturer and operator of the powerful heavy-lift Erickson S-64 Aircrane helicopter (the “**Aircrane**”), and are a leading global provider of aviation services. Erickson currently possesses a diverse fleet of 69 rotary-wing and fixed-wing aircraft that support a variety of government and civil customers worldwide. These customers rely on Erickson for a broad range of aerial services, including critical supply and logistics for deployed military forces, humanitarian relief, firefighting, timber harvesting, infrastructure construction, and crewing.

4. Included among Erickson’s fleet are 20 Aircranes, for which Erickson owns the Type and Production Certificates. Erickson manufactures the Aircranes and related components for sale to government and commercial customers. Erickson also provides aftermarket support and maintenance, repair, and overhaul services for the Aircranes and other aircraft.

5. To facilitate a further restructuring of the Debtors’ businesses, on the date hereof (the “**Petition Date**”), each of the Debtors commenced cases under Chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the

Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors have requested procedural consolidation and joint administration of the Chapter 11 Cases. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases, and no committees have been appointed or designated

6. Additional information about Erickson's businesses, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases can be found in the *Declaration of David Lancelot in Support of the Debtors' Chapter 11 Petitions and First Day Motions* (the "**Lancelot Declaration**"), filed concurrently herewith.

Cash Management System

7. Prior to the Petition Date, in the ordinary course of business, the Debtors used a cash management system (the "**Cash Management System**") to efficiently collect, transfer and disburse funds generated by their business operations. The Cash Management System consists of two distinct structures: (1) three domestic accounts at Wells Fargo Bank, National Association ("**Wells Fargo**") supporting the operations of Erickson Helicopters, Inc. ("**EHI**") and (2) four domestic accounts at Wells Fargo supporting the operations of Erickson Incorporated ("**EI**"). Wells Fargo is an authorized depository pursuant to the United States Trustee's Authorized Depository Listing established for the Northern District of Texas. Attached hereto as **Exhibit A** is an illustration showing the structure of the Cash Management System. The Debtors do not hold the foreign operating bank accounts that support the Debtors' international operations..

8. The EI domestic accounts include:

- i. A master operating account at Wells Fargo (XXXX-0235) (the "**EI Operating Account**") and collectively with the EHI Operating Account, the "**Operating Accounts**"). The EI Operating Account receives draws on the Debtors' obligations under its First Lien Credit Agreement dated May 2, 2013 (the "**Revolver**") and is used to process outgoing wire transfers and electronic payments. The EI Operating Account is primarily

used to fund the EI Disbursement Account (as more fully described below), the EHI Operating Account (as more fully described below), and the EI Payroll Account (as more fully described below).

- ii. A controlled disbursement account at Wells Fargo (XXXX-6165) (the “**EI Disbursement Account**” and collectively with the EHI Disbursement Account (as defined below), the “**Disbursement Accounts**”). The EI Disbursement Account is a ZBA account and is used primarily for centrally controlled check runs. The EI Disbursement Account is funded by the EI Operating Account.
- iii. A payroll and benefits account at Wells Fargo (XXXX-2897) (the “**EI Payroll Account**” and collectively with the EHI Payroll Account (as defined below), the “**Payroll Accounts**”). The EI Payroll Account is a ZBA account. The funds in the EI Payroll Account are recurring and are used to fund payroll, payroll taxes, and benefit requirements.
- iv. A depository account at Wells Fargo (XXXX-2871) (the “**EI Depository Account**” and collectively with the EHI Depository Account, the “**Depository Accounts**”). The EI Depository Account receives customer collections which are primarily in the form of wire transfers. The EI Depository Account is currently swept daily to pay down the Revolver.

9. The EHI domestic accounts include:

- i. A master operating account at Wells Fargo (XXXX-0245) (the “**EHI Operating Account**”). The EHI Operating Account is used to process outgoing wire transfers and electronic payments, and the source of funds for this account is the EI Operating Account. The EHI Operating Account is primarily used to fund the EHI Disbursement Account (as more fully described below) and the EHI Payroll Account (as more fully described below).
- ii. A controlled disbursement account at Wells Fargo (XXXX-9946) (the “**EHI Disbursement Account**”). The EHI Disbursement Account is funded by the EHI Operating Account.
- iii. A payroll and benefits account at Wells Fargo (XXXX-0252) (the “**EHI Payroll Account**”). The EHI Payroll Account is funded from the EHI Operating Account.
- iv. A depository account at Wells Fargo (XXXX-0237) (the “**EHI Depository Account**”). The EHI Depository Account receives customer collections which are primarily in the form of wire transfers. The EHI Depository Account is currently swept daily to pay down the Revolver.

The Operating Accounts, Disbursement Accounts, Payroll Accounts, and Depository Accounts are collectively referred to herein as the “**Accounts**” or “**Bank Accounts**.”²

Relief Requested

10. By this Motion, the Debtors respectfully request, pursuant to Sections 105(a), 363(a), 364(a), 503(b), 1107 and 1108 of the Bankruptcy Code, the entry of an order substantially in the form attached hereto as **Exhibit B**: (i) authorizing the Debtors to continue using their existing business forms and records; (ii) authorizing the Debtors to maintain the Bank Accounts and Cash Management System; and (iii) granting the Debtors a waiver of certain bank account and related requirements of the Office of the United States Trustee for the Northern District of Texas (the “**U.S. Trustee**”) and Section 345(b) of the Bankruptcy Code to the extent that such requirements are inconsistent with (a) the Debtors’ existing practices under their cash management system or (b) any action taken by the Debtors in accordance with any order granting this Motion or any other order entered in the Chapter 11 Cases.

A. The U.S. Trustee Guidelines

11. The U.S. Trustee has established its *Region VI Guidelines for Debtors in Possession* (the “**Guidelines**”) in order to supervise the administration of chapter 11 cases. These Guidelines require debtors in possession to, among other things, (a) close all existing bank accounts and open new accounts, including an operating account, a tax account, a payroll account, and, if required by the Court, a cash collateral account, (b) obtain checks for all debtor-in-possession accounts that have the designation “debtor-in-possession,” and the bankruptcy case number, (c) close their books and records as of the petition date and open new books and

² The Debtors’ non-debtor subsidiaries maintain certain international accounts (the “**Foreign Accounts**”) that are primarily used to run daily operations in foreign countries. The Foreign Accounts are held by the non-Debtor subsidiaries in Canada, Italy, Malaysia, Brazil, Netherlands, Peru, and Turkey.

records, and (d) maintain their bank accounts with a depository bank approved by the U.S. Trustee. The U.S. Trustee designed these requirements to provide, among other things, a clear demarcation between prepetition and postpetition transactions and operations, which would, in theory, prevent the inadvertent postpetition payment of a prepetition claim. As explained in further detail below, the Debtors seek a waiver of certain of these requirements in this Motion.

B. Continued Use of Existing Business Forms and Records

12. The Debtors seek a waiver of the requirement that they open a new set of books and records as of the Petition Date. Opening a new set of books and records would create unnecessary administrative burdens and hardship and would cause unnecessary expense, utilization of resources, and delay. The Debtors, in the ordinary course of their businesses, use many checks, invoices, stationery, and other business forms. By virtue of the nature and scope of the business in which the Debtors are engaged and the numerous other parties with whom they deal, the Debtors need to use their existing business forms without alteration or change. Printing new business forms would take an undue amount of time and expense. Fulfillment of the requirement would likely delay the payment of postpetition claims and negatively affect operations and the value of these estates. Accordingly, the Debtors respectfully request that the Court authorize them to continue to use their existing business forms and to maintain their existing business records.

C. Continued Use of Corporate Bank Accounts and Cash Management System

i. Use of Corporate Bank Accounts

13. The Debtors respectfully request authority to maintain their existing Bank Accounts and Cash Management System in accordance with their usual and customary practices to ensure a smooth transition into chapter 11 with minimal disruption to operations. As set forth

in the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing and to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Scheduling a Final Hearing, and (IV) Granting Related Relief* (the “**DIP Financing Motion**”) filed concurrently herewith, the Debtors also request authority (i) to maintain their Bank Accounts subject to control agreements presently in place between the Debtors and the Existing First Lien Agent (as defined in the DIP Financing Motion) and such other agreements as may be in form and substance acceptable to the DIP Revolving Agent (as defined in the DIP Financing Motion) and (ii) to continue in place the first-priority perfected liens on all of the cash in the Bank Accounts in favor of the Existing First Lien Agent (and thereafter the DIP Revolving Agent) and grant the DIP Revolving Agent and/or its authorized representative “view-only” electronic access to each of the Bank Accounts.

14. The Debtors also request authority to close any of the Bank Accounts or open new bank accounts if, in the exercise of their business judgment, the Debtors determine that such action is in the best interest of their estates or if a new bank account is required to comply with an order of this Court; provided, that Debtors shall not close any Bank Accounts (a) at Wells Fargo or (b) subject to control agreements in favor of Wells Fargo as secured party thereunder without, in each case, the prior written consent of the DIP Revolving Agent or further order of this Court.

15. Only if the Debtors continue to use the Bank Accounts with the same account numbers can the transition into chapter 11 be smooth and orderly, with minimal interference with continuing operations. Requiring the Debtors to open new accounts and obtain checks for those accounts will cause delay and disruption to the Debtors' businesses. The Debtors will add the

designation “Debtor-in-Possession” or “DIP” to any checks in their possession and instruct the Bank to add the designations to current and any future Accounts.

16. By preserving business continuity and avoiding operational and administrative paralysis that closing the existing Bank Accounts and opening new ones would necessarily create, all parties-in-interest will be best served and the benefit to the Debtors’ estates will be considerable. The Bank Accounts are in a financially stable institution that is insured by the Federal Deposit Insurance Corporation up to the applicable limit. The confusion that would otherwise result could only work to the detriment of the Chapter 11 Cases. Of course, no checks issued prior to the Petition Date are to be honored, except as otherwise provided by separate order of this Court, subject to the terms and conditions set forth in the Order attached hereto. The Debtors reserve their rights pursuant to Section 549 of the Bankruptcy Code with respect to any check issued prepetition that is inadvertently honored postpetition. The Debtors will continue to maintain records respecting all transfers between and among the Bank Accounts so that all transactions can be ascertained after they have occurred.

ii. Cash Management System

17. The Debtors’ Cash Management System constitutes an ordinary course, essential business practice providing significant benefits to the Debtors including, among other things, the ability to (i) control funds, (ii) ensure the availability of funds when necessary, and (iii) reduce costs and administrative expenses by facilitating the movement of funds and the development of more timely and accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors’ reorganization efforts.

18. In the ordinary course of business, the Debtors and their non-debtor subsidiaries maintain business relationships with each other, resulting in unsecured intercompany receivables

and payables (the “**Intercompany Transactions**”). Each month there is a true-up of the obligations between the Debtors and their non-debtor subsidiaries, and those debits and credits are consolidated to a net intercompany balance between the Debtors and the applicable non-debtor subsidiary. These Intercompany Transactions create intercompany claims for reimbursement for which the Debtors seek an order of this Court granting administrative priority under section 364(a) of the Bankruptcy Code, subject in all instances to the superpriority claims and liens granted under the DIP Facilities, including such claims under section 507(b) and 364(c)(1) of the Bankruptcy Code (as defined in the DIP Financing Motion).

19. The Debtors believe that continuation of the Intercompany Transactions is in the best interests of the Debtors’ estates and their creditors, and seek authority to enter into such Intercompany Transactions in the ordinary course of business.

20. Additionally, the Debtors respect request that, pursuant to section 364(a) of the Bankruptcy Code, all unpaid claims arising from Intercompany Transactions after the Petition Date be accorded administrative status. Notably, administrative expense treatment for intercompany claims, as requested here, has been granted in other comparable chapter 11 cases in this district.

21. At any given time, there may be balances due and owing by and among the Debtors’ various entities. The Debtors, through the banking transactions described in this Motion, maintain records of, and can ascertain, trace and account for, the Intercompany Transactions. Moreover, the Debtors and the banks described in this Motion will continue to maintain such records, including records of all current intercompany accounts receivables and payables, in the postpetition period. Thus, the propriety of all these transfers can be verified.

The Debtors respectfully request that the Court authorize the Debtors to continue Intercompany Transactions in the ordinary course of business.

22. The Debtors respectfully submit that they have shown the relief requested in this Motion is appropriate, and ask that the Court grant all of the relief requested as being in the best interests of their estates.

23. The relief requested in this Motion is vital to ensuring the Debtors' seamless transition into bankruptcy. Authorizing the Debtors to maintain their Cash Management System, as modified, will avoid many of the possible disruptions and distractions that could divert the Debtors' attention from more pressing matters during the initial days of the Chapter 11 Cases.

D. Waiver of Conflicting U.S. Trustee Guidelines or Provisions Section 345(b)

24. Further, the Debtors seek a waiver of the U.S. Trustee Guidelines to the extent that the requirements of such Guidelines otherwise conflict with (a) the Debtors' existing practices under the Cash Management System or (b) any action taken by the Debtors in accordance with any Order granting this Motion or other order entered in the Chapter 11 Cases. The use of the Debtors' Cash Management System is an ordinary course, customary, essential business practice. Requiring that the Debtors alter their current practices to comply with the Guidelines would risk disruption to the Debtors' business and be inefficient.

25. While the Debtors believe that their cash management practices comply with Section 345(b) of the Bankruptcy Code, to the extent that that the requirements of Section 345(b) are inconsistent, or otherwise conflict, with (a) the cash management practices under the Cash Management System or (b) any action taken by the Debtors in accordance with an order of this Court, the Debtors seek a waiver of the requirements of Section 345(b) to allow the Debtors to continue their existing cash management practices.

Basis for Relief Requested

26. Section 105 of the Bankruptcy Code provides in pertinent part that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Courts have long recognized that the power granted by Section 105(a) was expressly meant to be exercised to effectuate the rehabilitation of the debtor. *See, e.g., In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 177 (Bankr. S.D.N.Y. 1989) (citing H.R. Rep. No. 595, 95th Cong., 1st Sess. 16 (1977)). The relief requested in this Motion is critical to the Debtors’ successful reorganization and is justified under Section 105(a).

27. Extensive authority supports the relief sought in this Motion. In other chapter 11 cases, courts have recognized that strict enforcement of the U.S. Trustee Guidelines does not always serve the purposes of chapter 11. Accordingly, courts have often waived such requirements and replaced them with alternative procedures. *See, e.g., In re CHC Group Ltd., et al.*, Case No. 16-31854 (BJH) (Bankr. N.D. Tex. June 9, 2016) (Second Interim Order (I) Authorizing Debtors to (A) Continue Their Existing Cash Management System, (B) Continue Existing Intercompany Transactions, (C) Maintain Existing Bank Accounts and Business Forms, and (D) Honor Certain Prepetition Obligations Relating to the Use of the Cash Management System, and (II) Granting Extension of Time to Comply with, and Partial Waiver of, Requirements of Section 345(b) of the Bankruptcy Code Pursuant to Sections 105(a), 345(b), 363(c), 364(a), and 503(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004); *In re Spectrum Jungle Labs Corp.*, Case No. 09-50455 (RBK) (Bankr. W.D. Tex. Feb. 5, 2009) (First Amended Order Under 11 U.S.C. §§ 105(a), 345, 363, 364, 503(b)(1), 1107 and 1108 and Fed. R. Bankr. P. 6003 Granting Emergency Motion of Debtors and Authorizing (I) Continued Use of Existing Cash Management System and Bank Accounts, (II) Waiver of Certain U.S. Trustee

Guidelines, (III) Continuation of Deposit and Investment Practices, (IV) Continuation of Hedging Practices, and (V) Continuation of Intercompany Transactions); *In re Lothian Oil Inc., et al.*, Chapter 11 Case No. 07-70121 (Bankr. W.D. Tex. June 15, 2007) (Order Granting Debtors' Emergency Motion for Order (I) Authorizing Continued Use of Existing Business Forms and Records; and (II) Authorizing Maintenance of Existing Corporate Bank Accounts and Cash Management System); *In re The Nat'l Benevolent Ass'n of the Christian Church (Disciples of Christ), et al.*, Chapter 11 Case No. 04-50948 (Bankr. W.D. Tex. Feb. 20, 2004) (Interim Order Authorizing Debtors' Expedited Motion for (I) the Continuation of the Existing Cash Management System, (II) the Maintenance of Existing Bank Accounts and Business Forms, and (III) Approving the Investment Guidelines); *In re JIT Holdings, Inc.*, Chapter 11 Case No. 02-21102 (Bankr. S.D. Tex. May 24, 2002) (Order Authorizing Debtor to Continue Using Cash Management System); *In re Kitty Hawk, Inc.*, Case No. 00-42141-BJH (Bankr. N.D. Tex. May 3, 2000) (Order Granting Motion for Order (1) Authorizing Continued Use of Existing Business Forms and Records; (2) Authorizing Maintenance of Existing Corporate Bank Accounts and Cash Management System; and (3) Extending Time to Comply with 11 U.S.C. § 345 Investment Guidelines).

28. Additionally, Section 363(c)(1) of the Bankruptcy Code authorizes the debtor-in-possession to "use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The purpose of Section 363(c)(1) of the Bankruptcy Code is to provide a debtor-in-possession with the flexibility to engage in the ordinary course transactions required to operate its business without unneeded oversight by its creditors or the Court. *Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *In re Git-N-Go, Inc.*, 322 B.R. 164, 171 (Bankr. N.D. Okla. 2004); *In re Enron Corp.*, No. 01-16034 (ALG),

2003 WL 1562202, at *15 (Bankr. S.D.N.Y. Mar. 21, 2003); *In re Atlanta Retail, Inc.*, 287 B.R. 849, 856 (Bankr. N.D. Ga. 2002); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of Section 363(c) is a debtor's ability to continue the "routine transactions" necessitated by a debtor's cash management system. *Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under Section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, and disbursement, including intercompany transfers, of cash pursuant to their Cash Management System described above.

29. Further, although the Debtors believe that accruing Intercompany Claims is in the ordinary course of the Debtor's business under section 363(c)(1) of the Bankruptcy Code, the Debtors request that pursuant to section 503(b)(1) and 364(a) of the Bankruptcy Code, all Intercompany Claims against the Debtors after the Petition Date, be afforded administrative expense priority. Administrative expenses treatment for postpetition intercompany claims has been granted in other large chapter 11 cases in this and other districts. *See, e.g., In re Energy & Exploration Partners, Inc.*, Case No. 15-44931 (Bankr. N.D. Tex. Dec. 10, 2015) (Docket No. 427); *In re Paragon Offshore PLC*, Case No. 16-10386 (Bankr. D. Del. Feb. 17, 2016) (Docket No. 73); *In re Offshore Group Investment Limited*, Case No. 15-12422 (Bankr. D. Del. Dec. 4, 2015) (Docket No. 45). The Debtors submit that similar relief is warranted in these chapter 11 cases

Request for Waiver of Stay

30. To the extent that the relief sought in this Motion constitutes a use of property under Section 363(b) of the Bankruptcy Code, the Debtors seek a waiver of the fourteen-day stay

under Bankruptcy Rule 6004(h). Further, the Debtors request that the Court find that the provisions of Bankruptcy Rule 6003 are satisfied. As explained herein, the relief requested in this Motion is immediately necessary for the Debtors to be able to continue to operate their businesses and preserve the value of the estates.

Notice

31. No trustee, examiner or creditors' committee has been appointed in these Chapter 11 Cases. Notice of this Motion will be provided to: (i) the Office of the United States Trustee; (ii) the holders of the 20 largest unsecured claims against Erickson Incorporated and Erickson Helicopters, Inc.;³ (iii) Randall Klein, Goldberg Kohn, Ltd., 55 East Monroe Street, Suite 3300, Chicago, Illinois 60603-5792, lead counsel for Wells Fargo Bank, N.A., as DIP Revolving Agent and Existing First Lien Agent; (iv) David Weitman, K&L Gates LLP, 1717 Main Street, Suite 2800, Dallas, Texas 75201, local counsel for Wells Fargo Bank, N.A., as DIP Revolving Agent and Existing First Lien Agent; (v) Scott L. Alberino, Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, N.W., Washington, DC 20036-1564, counsel for an ad hoc group of holders of 8.25% Second Priority Senior Secured Promissory Notes due 2020; (vi) Edward M. Fox, Esq., Seyfarth Shaw LLP, 620 8th Avenue, New York, NY 10018, counsel to Wilmington Trust, National Association, as indenture trustee and notes collateral agent for the 8.25% Second Priority Senior Secured Promissory Notes due 2020; (vii) the Securities and Exchange Commission; and (viii) the Internal Revenue Service. Due to the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

³ Erickson Incorporated and Erickson Helicopters, Inc. are the only Debtors with holders of unsecured claims.

WHEREFORE, the Debtors respectfully request that the Court (i) grant this Motion, (ii) authorize the Debtors to continue using their existing business forms and records, (iii) authorize the Debtors to maintain the Bank Accounts and Cash Management System, (iv) grant the Debtors a waiver of certain U.S. Trustee Guideline requirements, (v) authorize the Debtors to continue Intercompany Transactions and authorize unpaid claims thereunder to be provided with section 364(a) status, subject to the terms set forth in the Order attached hereto, and (vi) grant such other and further relief as is just and proper.

RESPECTFULLY SUBMITTED this 9th day of November, 2016.

HAYNES AND BOONE, LLP

By: /s/ David Staab
Kenric D. Kattner
State Bar No. 11108400
Kourtney Lyda
State Bar No. 24013330
1221 McKinney Street, Suite 2100
Houston, TX 77010
Telephone: 713.547.2000
Facsimile: 713.547.2600
Email: kenric.kattner@haynesboone.com
Email: kourtney.lyda@haynesboone.com

and

Ian T. Peck
State Bar No. 24013306
David Staab
State Bar No. 24093194
2323 Victory Avenue, Suite 700
Dallas, TX 75219
Telephone: 214.651.5000
Facsimile: 214.651.5940
Email: ian.peck@haynesboone.com
Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

CERTIFICATE OF CONFERENCE

I hereby certify that on or before November 8, 2016, the undersigned counsel for the Debtors conferred with and received comments to this Motion from (i) Randall Klein, Goldberg Kohn, Ltd., lead counsel for Wells Fargo Bank, N.A., as DIP Revolving Agent and Existing First Lien Agent, (ii) Scott L. Alberino and Brad M. Kahn, Akin Gump Strauss Hauer & Feld LLP, counsel for an ad hoc group of holders of 8.25% Second Priority Senior Secured Promissory Notes due 2020, and (iii) Edward M. Fox, Esq., Seyfarth Shaw LLP, counsel to Wilmington Trust, National Association, as indenture trustee and notes collateral agent for the 8.25% Second Priority Senior Secured Promissory Notes due 2020.

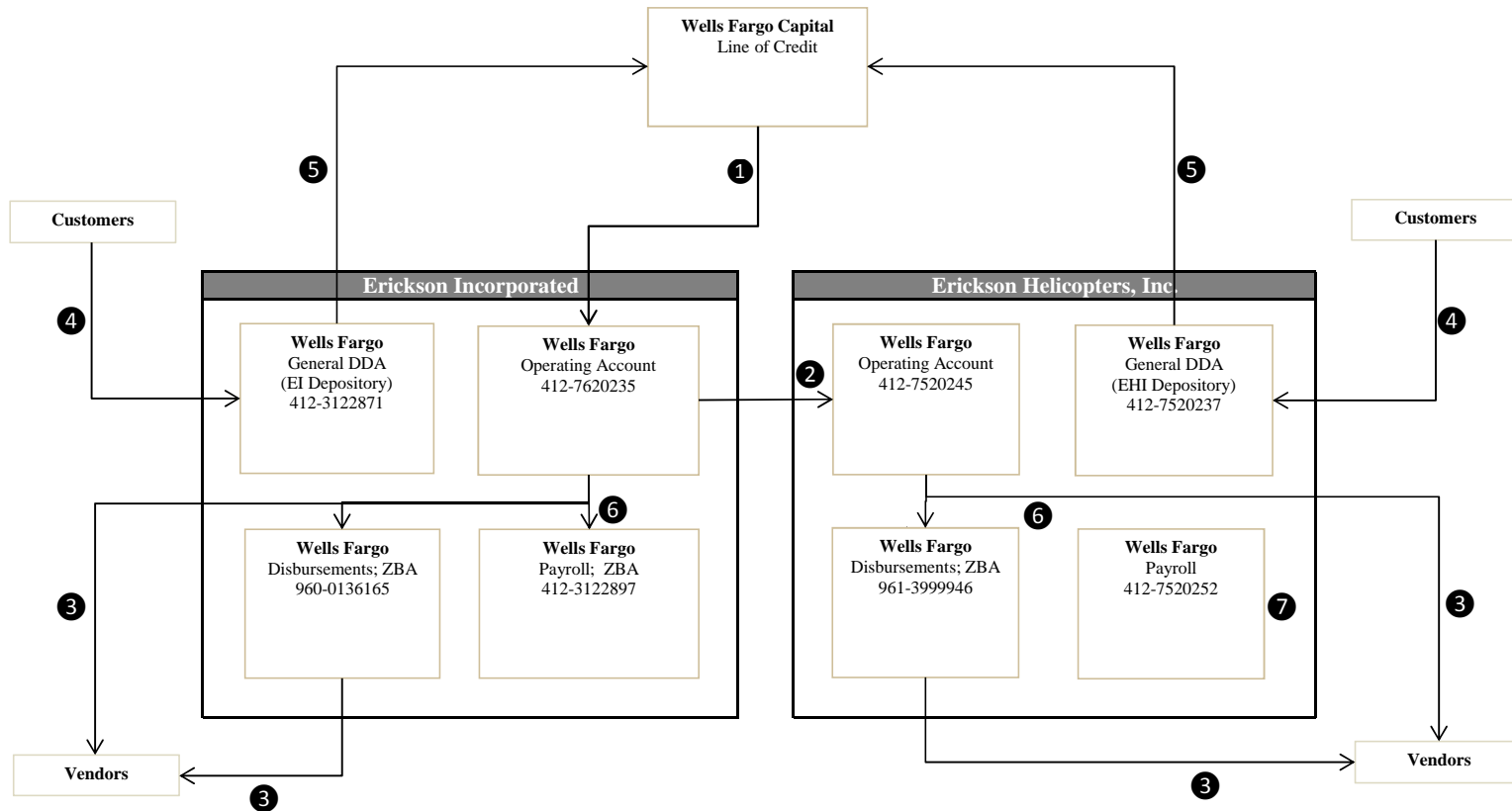
I hereby also certify that on November 8, 2016, the undersigned counsel for the Debtors conferred regarding this Motion with the Office of the United States Trustee for the Northern District of Texas, which has not indicated whether it consents or objects to this Motion.

/s/ Ian T. Peck

Ian T. Peck

Exhibit A

Cash Management System



Notes:

- ① All funds flowing from Wells Fargo go directly to the operating account of Erickson Incorporated. When the Company borrows from the Wells Fargo line of credit, funds are deposited into account 412-7620235 and must be moved through a book transfer between Erickson Inc. and Erickson Helicopters Inc., as desired.
- ② Funds flow from Erickson Inc. to Erickson Helicopters Inc. via book transfers initiated by Erickson Inc.. This is an almost daily occurrence. Funds generally do not flow from Erickson Helicopters Inc. to Erickson Inc..
- ③ Vendors are paid through the operating accounts of Erickson Inc. and Erickson Helicopters Inc. (via wire or ACH) or disbursements (via check).
- ④ When customers deposit funds, they enter through the Depository accounts, from which funds cannot directly be drawn by the Company.
- ⑤ Once funds are deposited into the Depository accounts, they are swept by Wells Fargo to offset the existing balance on the revolving line of credit. Only after Wells Fargo has swept the funds can they be re-borrowed and transmitted to the Operating Account for Erickson Inc. (see ①, above).
- ⑥ Payroll and Disbursement accounts are Zero Balance Accounts that are funded by the Operating Accounts with no action required by the Company.
- ⑦ EHI Payroll account is no longer utilized and all payroll flows through the Erickson Incorporated Payroll Account.

All accounts diagrammed and amounts listed are in USD. Amounts are as of October 27, 2016.

EXHIBIT B

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

| | | |
|---|---|---|
| In re | § | Chapter 11 |
| | § | |
| ERICKSON INCORPORATED, et al.,¹ | § | Case No. 16-34393-hdh |
| | § | |
| Debtors. | § | (Joint Administration Requested) |
| | § | |

**ORDER (I) AUTHORIZING CONTINUED USE OF EXISTING BUSINESS FORMS
AND RECORDS; (II) AUTHORIZING MAINTENANCE OF EXISTING CORPORATE
BANK ACCOUNTS AND CASH MANAGEMENT SYSTEM,
(III) WAIVING CERTAIN U.S. TRUSTEE REQUIREMENTS, AND
(IV) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS
WITH SECTION 364(a) ADMINISTRATIVE PRIORITY**

Upon the motion (the “**Motion**”)² of the above-referenced Debtors (the “**Debtors**”) for an Order (i) Authorizing Continued Use of Existing Business Forms and Records; (ii)

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Erickson Incorporated (7561); EAC Acquisition Corporation (3733); Erickson Helicopters, Inc. (5052); Erickson Transport, Inc. (9162); Evergreen Helicopters International, Inc. (1311); Evergreen Equity, Inc. (9209); and Evergreen Unmanned Systems, Inc. (3961). The location of the Debtors’ service address is 5550 SW Macadam Avenue, Suite 200, Portland, OR 97239.

Authorizing Maintenance of Existing Corporate Bank Accounts and Cash Management System; (iii) Waiving Certain U.S. Trustee Requirements, and (iv) Authorizing Continuation of Intercompany Transactions with Section 364(a) Administrative Priority, all as more fully described in the Motion; and the Court finding that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein; it is hereby ORDERED:

1. The Motion is granted to the extent set forth herein.

2. The Debtors are authorized to continue using their existing Cash Management System as described in the Motion, subject to the terms and conditions of the debtor-in-possession financing, for which the Debtors have sought authority by separate motion.

3. The Debtors shall maintain records of all transfers within the Cash Management System so that all transfers and transactions shall be adequately and promptly documented in, and ascertainable from, the Debtors' books and records, to the same extent as maintained prior to the commencement of the Chapter 11 Cases.

Cash Management System and Bank Accounts

4. Subject to the terms and conditions of the debtor-in-possession financing, for which the Debtors have sought authority by separate motion, the Debtors are authorized but not directed to (a) maintain and continue to use the Bank Accounts in the same manner and with the same account numbers, styles, and document forms as are currently employed, (b) deposit funds

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

in, and withdraw funds from, the Bank Accounts by all usual means, including checks, wire transfers, automated clearinghouse (“ACH”) transfers, drafts, electronic fund transfers, or other items presented, issued or drawn on the Bank Accounts, (c) pay postpetition ordinary course bank fees in connection with the Bank Accounts, (d) perform their obligations under the documents and agreements governing the Bank Accounts, and (e) treat the Bank Accounts for all purposes as accounts of the Debtors in their capacities as debtors in possession.

5. The Debtors are authorized (i) to maintain their Bank Accounts subject to control agreements in place now with the Prepetition Revolving Agent and such other agreements that may be in form and substance acceptable to the DIP Revolving Agent (as defined in the DIP Financing Motion) and (ii) to continue in place the first-priority perfected liens on all of the cash in the Bank Accounts in favor of the Prepetition Revolving Agent (and thereafter the DIP Revolving Agent) and grant the DIP Revolving Agent and/or its authorized representative “view-only” electronic access to each of the Bank Accounts.

6. The Debtor shall: (i) instruct Wells Fargo to add the designation, “Debtor-in-Possession” or “DIP” to its current and any future domestic Accounts; (ii) treat the Accounts for all purposes as Accounts of the Debtor as Debtor-in-Possession; and (iii) maintain records that recognize the distinction between prepetition and postpetition transfers.

7. Wells Fargo is authorized to (a) continue to administer, service, and maintain the Bank Accounts as such accounts were administered, serviced, and maintained prior to the Petition Date, without interruption in the usual and ordinary course and in accordance with the Account Agreements (defined below) and (b) pay any and all checks, drafts, wires, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “Debits”) on account of a claim arising on or after the Petition Date so long as there are sufficient cleared funds in the relevant Bank Accounts.

8. Wells Fargo is restrained and prohibited from honoring any Debit presented, issued, or drawn on any Bank Account on account of a claim arising prior to the Petition Date (a **“Prepetition Debit”**), unless the payment of such claim (a) has been represented by the Debtors to have been authorized by an order of this Court, (b) has been directed by the Debtors and not otherwise prohibited by a “stop payment” request received by the relevant Bank from the Debtors, and (c) is supported by sufficient cleared funds in the relevant Bank Account.

9. Notwithstanding anything herein to the contrary, (a) those certain existing deposit agreements between the Debtors and Wells Fargo (the **"Account Agreements"**) shall continue to govern the postpetition cash management relationship between the Debtors and Wells Fargo, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, and (b) in the course of providing cash management services to the Debtors, Wells Fargo is authorized, without further Order of this Court, to deduct from the appropriate accounts of the Debtors its customary fees and expenses (including without limitation customary fees and expenses associated with honoring "stop payment" requests) associated with the nature of the deposit and cash management services rendered to the Debtors, whether arising prepetition or postpetition (collectively, the **“Bank Fees”**), and further, to charge back to the appropriate accounts of the Debtors any amounts resulting from returned checks or other returned items, including, without limitation, returned items that result from automated clearing house transactions, wire transfers, or other electronic transfers of any kind (collectively, **"Returned Items"**), regardless of whether such items were deposited or transferred prepetition or postpetition and regardless of whether the returned items relate to prepetition or postpetition items or transfers.

10. Wells Fargo is authorized to debit from the appropriate accounts of the Debtors in the ordinary course of business and without further order of this Court on account of all checks

drawn on the Debtors' accounts which are cashed at Wells Fargo's counters or exchanged for cashier's or official checks by the payees thereof prior to the Petition Date.

11. The Debtors shall at all times maintain sufficient balances in the Bank Accounts so as to secure their obligations to the Banks for cash management and related services to the Debtors, and no liens on any Bank Account granted to any creditor (including the DIP Revolving Agent or any other secured creditor with such liens (in each case, as defined in the DIP Financing Orders)) shall take priority over the Bank Fees of the Bank where the account is located.

12. Subject to the provisions of this Order, Wells Fargo is authorized and directed to rely on the representations of the Debtors as to which Debits are authorized to be honored or dishonored, whether or not such Debits are dated prior to, on, or subsequent to the Petition Date, and whether or not the Bank believes the payment is authorized by an order of the Court. No Bank (as defined below) shall be liable to the Debtors or their estates, or otherwise held in violation of this Order, for honoring a Prepetition Debit or other Debit at the direction of the Debtors to honor such Prepetition Debit or other Debit. To the extent that the Debtors direct that any Debit be dishonored, the Debtors may issue replacement Debits consistent with the orders of this Court.

13. The Debtors' banks and other financial institutions (collectively, the "**Banks**") shall be and hereby are authorized and directed to receive, process, honor and pay all prepetition checks and electronic fund transfers that are authorized under this Order, provided that sufficient and cleared funds are on deposit in the applicable accounts to cover such payments. In doing so, the Banks are authorized to rely on the representations of the Debtors as to which checks and fund transfers are issued or authorized to be paid pursuant to this Order. If any of the Banks honors a prepetition check or other item drawn on any account that is the subject of this Order:

(a) at the direction of the Debtors to honor such prepetition check or item, (b) in good faith belief that this Court has authorized such prepetition check or item to be honored, or (c) as a result of an innocent mistake, such Banks shall not be deemed to be liable to the Debtors or their estates or otherwise in violation of this Order.

14. Wells Fargo is authorized to continue to honor any standing instructions of the Debtors with respect to daily or periodic wires, ACH transfers or other debits made to the Bank Accounts in accordance with the Debtors' prepetition instructions.

15. The Debtors are authorized to implement such changes to the Cash Management System as the Debtors may deem necessary or appropriate, including, without limitation, closing any of the Bank Accounts or opening any additional bank accounts (the “**New Accounts**”), wherever the Debtors deem that such accounts are needed or appropriate, and whether or not the banks in which such accounts are opened are designated depositories in the Northern District of Texas and all such New Accounts shall be deemed to be Bank Accounts; provided that (a) any such changes to the Cash Management System are permitted under the terms of the DIP Credit Agreements and DIP Financing Orders in favor of the DIP Revolving Agent, (b) the Debtors have obtained the prior written consent of the DIP Revolving Agent (as defined in the DIP Financing Motion) or, if such consent is not provided, obtained further order of the Court after notice and a hearing, (b) any New Account shall be (i) with a bank that is organized under the laws of the United States of America or any state therein and that is insured by the Federal Deposit Insurance Corporation and (ii) designated a “Debtor-in-Possession” account by the relevant bank, and (c) the Debtors shall provide the U.S. Trustee with notice of any New Accounts. Subject to the terms of the DIP Credit Agreements and the DIP Financing Orders in favor of the DIP Revolving Agent and, with respect to all New Accounts subject to a control agreement in favor of Wells Fargo as secured party, with Wells Fargo's prior written consent,

Banks, including Wells Fargo, are authorized to honor the Debtors' requests to open or close (as the case may be) such New Account(s). If upon receipt of notice of such New Accounts the U.S. Trustee advises the Debtors that such New Accounts are not Approved Depositories in the Northern District of Texas and/or the parties are not able to reasonably resolve disputes, if any, regarding such New Accounts, the Debtors shall seek approval of the Court, pursuant to 11 U.S.C. § 345.

16. Notwithstanding anything in this Order to the contrary, the authority and approvals granted by the terms of this Order to the Debtors, including with respect to the opening and closing of Bank Accounts and continuation of the Cash Management System, shall be in all respects subject to the terms, conditions, limitations, and requirements set forth in the financing orders (together with any and all approved budgets thereto) entered in the Chapter 11 Cases in favor of Wells Fargo Bank, N.A., as DIP Revolving Agent.

17. Pursuant to sections 503(b)(1) and 364(a) of the Bankruptcy Code, postpetition Intercompany Transfers to the extent unpaid shall be afforded administrative expense claim status, subject in all instances to the superpriority claims and liens granted under the DIP Facilities, including such claims under sections 507(b) and 364(c)(1) of the Bankruptcy Code (as defined in the DIP Financing Motion).

Waiver of U.S. Trustee Guidelines

18. The U.S. Trustee Guideline requiring that the Debtors close all existing Bank Accounts and open new debtor-in-possession accounts is waived.

19. The U.S. Trustee Guideline requiring that the Debtors open separate debtor-in-possession accounts for payroll is waived.

20. The U.S. Trustee Guidelines requiring that the Debtors open separate debtor-in-possession accounts for the payment of taxes and deposit to such specific tax accounts sufficient funds to pay any tax liability (when incurred) associated with the Debtors' payroll are waived.

21. The Debtors are authorized to continue using check stock in the forms existing immediately prior to the Petition Date, but are required to note the Debtors' status of debtors in possession in the memo line of any check issued. In the event that the Debtors generate new checks during the pendency of these cases other than from their existing stock of checks, such checks shall include a legend referring to the Debtors as "Debtor-in-Possession."

22. The Debtors are authorized to use all correspondence and other business forms (including, without limitation, letterhead, purchase orders, and invoices) substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors in possession.

23. Notwithstanding anything to the contrary in the Motion (or any document attached thereto), to the extent that there is a conflict between the terms and conditions of the Motion (or any document attached thereto) and the terms and conditions of this Order, the terms and conditions of this Order shall govern.

24. To the extent that the U.S. Trustee Guidelines otherwise conflict with (a) the Debtors' existing practices under the Cash Management System or (b) any action taken by the Debtors in accordance with this Order or any other order entered in the Debtors' Chapter 11 Cases, such Guidelines are waived.

25. To the extent that the requirements set forth in Section 345(b) of the Bankruptcy Code are inconsistent, or otherwise conflict, with (a) the Debtors' cash management practices under the Cash Management System as approved by this Order or (b) any action taken by the Debtors in accordance with this Order or any other order entered in the Chapter 11 Cases, such

requirements are and shall be waived; provided, however, that the Debtors shall not place funds in any Bank Account that is not insured by the FDIC.

Other Orders

26. To the extent necessary, the Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

27. To the extent applicable, the requirements of Bankruptcy Rule 6004(a) are waived.

28. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and enforceable immediately upon entry hereof.

29. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

###END OF ORDER###

Submitted By:

HAYNES AND BOONE, LLP

Kenric D. Kattner
State Bar No. 11108400
Kourtney Lyda
State Bar No. 24013330
1221 McKinney Street, Suite 2100
Houston, TX 77010
Telephone: 713.547.2000
Facsimile: 713.547.2600
Email: kenric.kattner@haynesboone.com
Email: kourtney.lyda@haynesboone.com

and

Ian T. Peck
State Bar No. 24013306
David Staab
State Bar No. 24093194
2323 Victory Avenue, Suite 700
Dallas, TX 75219
Telephone: 214.651.5000
Facsimile: 214.651.5940
Email: ian.peck@haynesboone.com
Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS